

Kentucky Agricultural Finance Corporation

Minutes of the September Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, September 7, 2007 at 1:00 PM EDT at the Cobb-Vantress offices in Monticello, Kentucky. Tim Hughes, presiding, called the meeting to order. Mr. Hughes then asked Nicole Ray, Secretary, to call the roll.

Members Present

Commissioner Farmer (Tim Hughes, designee), Bob Gaslin, Wayne Hunt, Larry Jagers, Doug Lawson, Billy Joe Miles, Bob Proffitt, James Reams

Members Absent

Secretary Burnside, Charles Miller, Frank Penn, Annette Walters

Others Present

Staff – Catherine Ball, Bill McCloskey, Nicole Ray, Keith L. Rogers, Nick Whobrey

Guests – Jerry Rickett, Edgar Davis, Gene Bundy and Mike Hayes; Kentucky Highlands

Notification of Press

Keith Rogers stated that the media had been notified.

Review and approval of Minutes of July 20, 2007

A motion to approve the June minutes was made by Mr. Jagers, seconded by Mr. Proffitt. The motion passed without dissent.

Executive Director's Report

Mr. Rogers reminded the Board that their next meeting will be held on Friday, October 5th in Frankfort.

Director of Financial Services Report

Bill McCloskey called the attention of the Board to the financial status reports provided to them and reviewed the status of KAFC funds and loan activity (On file with Board Secretary).

New Business

Loan applications

Agricultural Infrastructure Loan Program - Discussion and Action

Mr. McCloskey presented the following loan applications:

AF07-0076 West, Stephen & Cynthia – Applicants request \$13,500 for construction of a 40' by 88' hay barn in Bourbon County. Farm Credit Services in Dry Ridge is the participating lender. The request was approved by KAFC staff on August 30, 2007.

AF07-0078 Murdock, Trent – Applicant requests \$100,000 to purchase a poultry operation with two poultry houses and five acres in Calloway County. Regions Bank in Murray is the participating lender. Approval of this loan will terminate previous approval of AF06-0080 for Lance Murdock, the applicant's brother. **Mr. Miles moved to approve the request for AF07-0078 and terminate the prior approval of AF06-0080, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0079 Downs, Steve – Applicant requests \$29,000 for construction of an 8,000 bushel grain bin and a supplement bin, and a 120' by 32' combination tobacco and cattle barn in Marion County. Central Kentucky Agricultural Credit Association in Lebanon is the participating lender. **Mr. Hunt moved to approve the request, Mr. Jagers seconded the motion. The motion passed without dissent.**

AF07-0080 Howard, Charles and Janet – Applicants request \$80,000 for construction of a 60' by 140' machinery and hay storage facility and a 40' by 128' shed to be attached to an existing tobacco barn in Clark County. Central Kentucky Agricultural Credit Association in Lexington is the participating lender. **Mr. Reams moved to approve the request, Mr. Miles seconded the motion. The motion passed without dissent.**

AF07-0081 Windimere Farms Partnership – Applicants request \$67,500 for the purchase of 3.35 acres with two 50,000 bushel grain bins, a leg and a dryer in Henderson County. Farm Credit Services in Henderson is the participating lender. Staff recommends approval of half the cost of the grain bins, \$30,360. One of the partners is tobacco dependent and the other is not, therefore staff recommendation is to approve at a 3.00% interest rate. **Mr. Miles moved to approve the staff recommendation, Mr. Gaslin seconded the motion. The motion passed without dissent.**

AF07-0083 Workman Hog Farm – Applicant requests \$100,000 for construction of two finishing barns for a startup swine operation in Hickman County. Clinton Bank in Clinton is the participating lender. Staff recommendation is to deny this request and approve the applicant's Beginning Farmer Loan Program application, AF07-0082. **Mr. Lawson moved to approve the staff recommendation, Mr. Gaslin seconded the motion. The motion passed without dissent.**

AF07-0085 Wiley, Steve & Stacy – Applicant requests \$42,000 for construction of a 48' by 216' dairy facility. Farm Credit Services in Glasgow is the participating lender. **Mr. Jagers moved to approve the request, Mr. Hunt seconded the motion. The motion passed without dissent.**

AF07-0086 Tucker, David, Jr. and Ashley – Applicants request \$21,500 for construction of a 50' by 84' multi-purpose building for equipment maintenance and hay storage with a 24' by 50' shop in Fayette County. Central Kentucky Agricultural Credit Association in Richmond is the participating lender. **Mr. Miles moved to approve the request, Mr. Lawson seconded the motion. The motion passed without dissent.**

AF07-0087 Seay, James & Sandra – Applicants request \$18,344.20 for construction of a 32' by 97' tobacco barn in Christian County. United Southern Bank in Crofton is the participating lender. **Mr. Gaslin moved to approve the request, Mr. Jagers seconded the motion. The motion passed without dissent.**

AF07-0088 Pike, John & Jeana – Applicants request \$55,000 for construction of a 60' by 132' cattle barn, trench silo and feedlot in Green County. Bank of Columbia in Columbia is the participating lender. This application replaces a previously approved loan, AF07-0013. Staff recommendation is to approve this request and terminate the prior approval. **Mr. Proffitt moved to approve the staff recommendation, Mr. Reams seconded the motion. The motion passed without dissent.**

Beginning Farmer Loan Program – Discussion and Action

Mr. McCloskey presented the following applications:

AF07-0082 Workman Hog Farm – Applicant requests \$100,000 for construction of two finishing barns for a startup swine operation in Hickman County. Clinton Bank in Clinton is the participating lender. **The request was approved in a previous motion for AF07-0083.**

Old Business

AF06-0023 Herald, Darin – Lender requests an additional 60-day extension on the expiration date of this approved loan. **Mr. Lawson moved to approve the extension, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0013 Pike, John & Jeana – Application has been withdrawn and replaced with current application AF07-0088.

AF06-0053 Kentucky Specialty Grains, LLC – Application has been withdrawn.

AF06-0074 Hutcherson, Lyon – Application has been withdrawn.

Other Business

Kentucky Highlands Investment Corporation gave a presentation to the Board on their non-profit lending program and provided a copy of a PowerPoint presentation (On file with Board Secretary).

Closing Remarks

The motion to adjourn was made by Mr. Miles, seconded by Mr. Jagers. The motion passed without dissent. The meeting adjourned at 2:50 pm EDT.